

E-File: 4-13-09

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
 "Rhodes Homes, et al.,¹

Debtors.

Case No.: BK-S-09-14814-LBR
 (Jointly Administered)

Chapter 11

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

Affects:

☒

All Debtors

☐

Affects the following Debtor(s)

Hearing Date:

Hearing Time:

Courtroom 1

NOTICE OF ENTRY OF ORDER

TO: ALL INTERESTED PARTIES:

YOU ARE HEREBY NOTICED that an *Interim Order (I) Authorizing the Debtors to Sell Homes Free and Clear of Liens, and Other Interests, (II) Establishing Procedures for the Resolutions and Payment of Liens and Claims, and (III) Authorizing Financial Institutions to Honor All Obligations Related Thereto* was entered on April 10, 2009. A copy of the Order is attached hereto.

DATED this 13 day of April, 2009.

LARSON & STEPHENS

/s/ Zachariah Larson, Esq.

Zachariah Larson, Bar No. 7787

Kyle O. Stephens, Bar No. 7928

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Entered on Docket
April 10, 2009

A handwritten signature in dark ink, appearing to read "Linda B. Riegler".

Hon. Linda B. Riegler
United States Bankruptcy Judge

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Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re
THE RHODES COMPANIES, LLC, aka "Rhodes
Homes", et al.,¹
Debtors.

Case No. 09-14814-LBR
(Jointly Administered)

Chapter 11

DATE: 4-8-2009
TIME: 3:00 PM
Courtroom No. 1

Affects:



All Debtors



Affects the following Debtor(s):

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO SELL HOMES FREE AND
CLEAR OF LIENS, AND OTHER INTERESTS, (II) ESTABLISHING PROCEDURES
FOR THE RESOLUTION AND PAYMENT OF LIENS AND CLAIMS, AND (III)
AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR ALL OBLIGATIONS
RELATED THERETO**

Upon the motion of the above-captioned debtors and debtors in possession in these chapter 11 cases (the "Debtors") for entry of an order pursuant to sections 105(a), 363, and 1108 of title 11 of the United States Code (the "Bankruptcy Code"), (a) authorizing the Debtors to continue the construction, sale and closing of homes to customers in the ordinary course of business, (b) authorizing the Debtors to honor certain prepetition contract obligations to homebuyers, including, where appropriate in the Debtors' business judgment and not inconsistent

¹ The Debtors in these cases, along with their case numbers are: Apache Framing, LLC (Case No. 09-14818); Batcave, LP (Case No. 09-14861); Bravo, Inc. (Case No. 09-14825); C & J Holdings, Inc. (Case No. 09-14843); Chalkline, LP (Case No. 09-14862); Elkhorn Investments, Inc. (Case No. 09-14837); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Geronimo Plumbing LLC (Case No. 09-14820); Glynda, LP (Case No. 09-14865); Gung-Ho Concrete LLC (Case No. 09-14822); Heritage Land Company, LLC (Case No. 09-14778); Jackknife, LP (Case No. 09-14860); Jarupa, LLC (Case No. 09-14839); Overflow, LP (Case No. 09-14856); Parcel 20, LLC (Case No. 09-14848); Pinnacle Grading, LLC (Case No. 09-14887); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Rhodes Design and Development Corporation (Case No. 09-14846); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Rhodes Realty, Inc. (Case No. 09-14841); The Rhodes Companies, LLC (Case No. 09-14814); Six Feathers Holdings, LLC (Case No. 09-14833); Tick, LP (Case No. 09-14866); Tribes Holdings, LLC (Case No. 09-14817); Tuscany Acquisitions, LLC (Case No. 09-14853); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Golf Country Club, LLC (Case No. 09-14884) and Wallboard, LP (Case No. 09-14858)

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1 with past business practices, to refund deposits or provide other customer incentives, (c)
2 providing that the sale of homes to the Debtors' customers shall be free and clear of all liens,
3 claims, encumbrances and other interests, (d) authorizing, but not directing, the Debtors, in their
4 sole discretion or as ordered by the Court pursuant to the established procedures, to pay claims
5 secured by liens out of the proceeds of home sales, (e) establishing procedures for resolving
6 disputed lien claims, (f) authorizing the Debtors to proceed immediately with the sale of homes
7 and establishment of the lien procedures notwithstanding the possible applicability of Rules
8 6004(g) or 6003 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and (g)
9 authorizing financial institutions to receive, process, honor and pay all checks presented for
10 payment and electronic payment requests relating to the foregoing (the "Motion"); and it
11 appearing that the relief requested is in the best interests of the Debtors' estate, its creditors, and
12 other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant
13 to 28 U.S.C. §§ 157 and 1334; and it appearing that this matter is a core proceeding within the
14 meaning of 28 U.S.C. § 157(b)(2); and it appearing that venue of these proceedings and the
15 Motion is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that
16 notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the
17 particular circumstances and no other or further notice need be given; upon the record herein,
18 after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set
19 forth herein. IT IS HEREBY

20 ORDERED that the Motion is GRANTED on an interim basis pending final hearing on
21 April 17, 2009 at 9:30 a.m. or such other further date as the Court shall set (the "Interim Period");
22 and it is further

23 ORDERED that the Debtors are authorized to continue the construction, sale and closing
24 of homes to customers in the ordinary course of business during the Interim Period in accordance
25 with the budget attached to the interim cash collateral order and limitations provided under any
26 order authorizing the Debtors' use of cash collateral; and it is further
27
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1 ORDERED that the Debtors and any intermediary financial institution participating in any
2 home closings are authorized to transfer title, deed property, and take any other actions in the
3 ordinary course of business as may be necessary to transfer ownership to the Debtors'
4 homebuyers during the Interim Period; and it is further

5 ORDERED that, pursuant to section 363(f) of the Bankruptcy Code, during the Interim
6 Period, all sales of homes by the Debtors shall be free and clear of any and all liens, claims,
7 interests, and encumbrances, including, without limitation, all liens (whether asserted or
8 unasserted, known or unknown), with all such liens to attach to the proceeds of each home sale,
9 as applicable, in the same force, effect and priority as such liens had immediately prior to the sale,
10 subject to the rights and defenses of the Debtors and any party in interest with respect to any such
11 asserted liens; and it is further

12 ORDERED, to protect the rights of parties asserting liens on the Debtors' homes sold
13 pursuant to the Motion, the Lien Procedures as set forth in the Motion shall apply for the
14 expedited resolution and payment of such Construction Liens during the Interim Period; provided,
15 that, prior to paying any Construction Lien, the Debtors shall provide advance notice to the Agent
16 (as defined below) and Winchester Carlisle Partners, LLC ("WCP") and the Agent and the First
17 Lien Steering Committee shall then have 3 business days upon receipt of documentation related
18 to the proposed payment in respect of any Construction Lien to object to the payment thereof by
19 providing written notice to the Debtors. If such an objection is provided to the Debtors, the
20 parties agree to attempt to resolve any objection in good faith, but the Debtors shall have the
21 option of filing an application for an order shortening time with this Court on not more than 5
22 days notice as to why such Construction Lien should be paid. While such objection is pending,
23 the Debtors shall not be authorized to pay such Construction Lien. If no objection is received, the
24 Debtors shall be authorized to pay such Construction Lien in accordance with this Order during
25 the Interim Period; and it is further

26 ORDERED that with respect to the Lender Liens asserted by the Debtors' senior secured
27 lenders (the "Senior Secured Lenders"), the Debtors shall provide each of Credit Suisse, as agent
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1 under the Debtors' first lien credit facility (the "Agent") and WCP, the advisor to the First Lien
2 Steering Committee with a copy of the escrow agreement and estimated closing statement related
3 to any home that the Debtors wish to close during the Interim Period. The Debtors shall provide
4 access for the Agent and WCP to visit any home proposed to be sold. The Agent and the First
5 Lien Steering Committee shall then have 3 business days upon receipt of the documentation
6 relating to the proposed home sale to visit the subject home and to object to such home sale by
7 providing written notice to the Debtors. If such an objection is provided to the Debtors, the
8 parties agree to attempt to resolve any objection in good faith, but the Debtors shall have the
9 option of filing an application for an order shortening time with this Court on not more than 5
10 days notice as to why such home sale should proceed. While any such objection is pending, the
11 Debtors shall not be authorized to close such home in accordance with this Order during the
12 Interim Period. If no objection is received, the Debtors shall be authorized to close such home in
13 accordance with this Order during the Interim Period; and it is further

14 ORDERED that the authority granted in this order and the terms and conditions hereof
15 shall be effective as of the Petition Date; and it is further

16 ORDERED that the requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the
17 contents of the Motion or otherwise deemed waived; and it is further

18 ORDERED that notwithstanding the possible applicability of Bankruptcy Rule 6004(g),
19 the terms and conditions of this Order shall be immediately effective and enforceable upon its
20 entry; and it is further

21 ORDERED that this Court shall retain jurisdiction with respect to all matters arising from

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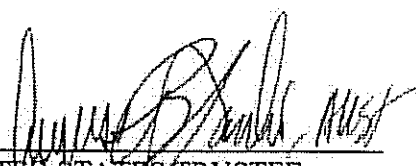
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1 or related to the implementation of this Order.

2 Dated: _____, 2009

3 APPROVED AS TO FORM AND CONTENT:

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By: 
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